

TOWNSHIP OF ZILWAUKEE
SAGINAW COUNTY, MICHIGAN

FINANCIAL STATEMENTS

MARCH 31, 2004

FRANCIS H. MCKENNA
Certified Public Accountant

Auditing Procedures Report

Issued under P.A. 2 of 1968, as amended.

Local Government Type <input type="checkbox"/> City <input checked="" type="checkbox"/> Township <input type="checkbox"/> Village <input type="checkbox"/> Other		Local Government Name ZILWAUKEE TOWNSHIP	County SAGINAW
Audit Date 3/31/04	Opinion Date 10/30/04	Date Accountant Report Submitted to State: 11/9/04	

We have audited the financial statements of this local unit of government and rendered an opinion on financial statements prepared in accordance with the Statements of the Governmental Accounting Standards Board (GASB) and the *Uniform Reporting Format for Financial Statements for Counties and Local Units of Government in Michigan* by the Michigan Department of Treasury.

We affirm that:

1. We have complied with the *Bulletin for the Audits of Local Units of Government in Michigan* as revised.
2. We are certified public accountants registered to practice in Michigan.

We further affirm the following. "Yes" responses have been disclosed in the financial statements, including the notes, or in the report of comments and recommendations.

You must check the applicable box for each item below.

- ☐ Yes ☒ No 1. Certain component units/funds/agencies of the local unit are excluded from the financial statements.
- ☐ Yes ☒ No 2. There are accumulated deficits in one or more of this unit's unreserved fund balances/retained earnings (P.A. 275 of 1980).
- ☒ Yes ☐ No 3. There are instances of non-compliance with the Uniform Accounting and Budgeting Act (P.A. 2 of 1968, as amended).
- ☐ Yes ☒ No 4. The local unit has violated the conditions of either an order issued under the Municipal Finance Act or its requirements, or an order issued under the Emergency Municipal Loan Act.
- ☐ Yes ☒ No 5. The local unit holds deposits/investments which do not comply with statutory requirements. (P.A. 20 of 1943, as amended [MCL 129.91], or P.A. 55 of 1982, as amended [MCL 38.1132]).
- ☒ Yes ☐ No 6. The local unit has been delinquent in distributing tax revenues that were collected for another taxing unit.
- ☐ Yes ☒ No 7. The local unit has violated the Constitutional requirement (Article 9, Section 24) to fund current year earned pension benefits (normal costs) in the current year. If the plan is more than 100% funded and the overfunding credits are more than the normal cost requirement, no contributions are due (paid during the year).
- ☐ Yes ☒ No 8. The local unit uses credit cards and has not adopted an applicable policy as required by P.A. 266 of 1995 (MCL 129.241).
- ☐ Yes ☒ No 9. The local unit has not adopted an investment policy as required by P.A. 196 of 1997 (MCL 129.95).

We have enclosed the following:	Enclosed	To Be Forwarded	Not Required
The letter of comments and recommendations.	✓		
Reports on individual federal financial assistance programs (program audits).			✓
Single Audit Reports (ASLGR).			✓

Certified Public Accountant (Firm Name) Francis H. McKenna, CPA			
Street Address 300 St. Andrews Rd., Suite 402	City Saginaw	State MI	ZIP 48603-5977
Accountant Signature <i>Francis H. McKenna</i>		Date 11/9/04	

Zilwaukee Township

SUPERVISOR	DAVID BRADT
CLERK	PATRICIA BRADT
TREASURER	KEITH ANDERSON
TRUSTEE	CATHERINE VanBLARCOM
TRUSTEE	MARK B. GOTTLER

ZILWAUKEE TOWNSHIP

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FRANCIS H. MCKENNA

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INDEPENDENT AUDITOR'S REPORT

October 30, 2004

To the Township Board
Township of Zilwaukee
Saginaw County, Michigan

I have audited the accompanying general purpose financial statements of ***Zilwaukee Township***, Saginaw County, Michigan as of and for the year ended March 31, 2004 as listed in the table of contents. These general purpose financial statements are the responsibility of the ***Zilwaukee Township's*** management. My responsibility is to express an opinion on these general purpose financial statements based on my audit. The prior year summarized comparative information has been derived from the Township's 2003 financial statements and, in my reported dated October 16, 2003, I expressed an unqualified opinion on those general purpose financial statements.

I conducted my audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the general purpose financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the general purpose financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall general purpose financial statement presentation. I believe that my audit provides a reasonable basis for my opinion.

In my opinion, the general purpose financial statements referred to in the first paragraph present fairly, in all material respects, the financial position of ***Zilwaukee Township***, Saginaw County, Michigan at March 31, 2004, and the results of its operations for the year then ended in conformity with accounting principles generally accepted in the United States of America.

My audit was made for the purpose of forming an opinion on the general purpose financial statements taken as a whole. The combining and individual fund and account group financial statements and supplementary financial data and schedules listed in the table of contents are presented for purposes of additional analysis and are not a required part of the general purpose financial statements of ***Zilwaukee Township***. Such information has been subjected to the auditing procedures applied in the audit of the general purposes financial statements and, in my opinion, is fairly presented in all material respects in relation to the general purpose financial statements taken as a whole.

Francis H. McKenna, CPA

FRANCIS H. MCKENNA
Certified Public Accountant

ZILWAUKEE TOWNSHIP

COMBINED BALANCE SHEET ALL FUND TYPES AND ACCOUNT GROUPS MARCH 31, 2004

	GOVERNMENTAL FUND TYPES			FIDUCIARY FUND TYPES	ACCOUNT GROUP		TOTAL (MEMORANDUM ONLY)	
	GENERAL	SPECIAL REVENUE	DEBT SERVICE	TRUST AND AGENCY	GENERAL FIXED ASSETS	GENERAL LONG-TERM DEBT	MARCH 31, 2004	MARCH 31, 2003
<u>ASSETS:</u>								
Cash and cash equivalents	\$ 3,007	\$ 53,689	\$ 13,043	\$ 154,549	\$ -	\$ -	\$ 224,298	\$ 243,027
Delinquent taxes receivable	5,948	-	1,121	34,894	-	-	41,963	27,392
Due from State	1,758	-	-	-	-	-	1,758	936
Due from General Fund	-	318	-	-	-	-	318	-
Due from Current Tax Fund	20,865	-	4,253	-	-	-	25,118	24,038
Due from Delinquent Tax Fund	2,544	-	988	-	-	-	3,532	2,524
Property and equipment	-	-	-	-	128,567	-	128,567	128,567
Other debits:								
Amount available in Debt Service Fund	-	-	-	-	-	19,405	19,405	25,683
Amount to be provided for retirement of general long-term debt	-	-	-	-	-	10,595	10,595	14,317
<u>TOTAL ASSETS</u>	<u>\$ 34,122</u>	<u>\$ 54,007</u>	<u>\$ 19,405</u>	<u>\$ 189,453</u>	<u>\$ 128,567</u>	<u>\$ 30,000</u>	<u>\$ 455,554</u>	<u>\$ 466,484</u>
<u>LIABILITIES AND FUND EQUITY:</u>								
LIABILITIES:								
Accounts & payroll taxes payable	\$ 8,404	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 8,404	\$ 8,953
Due to General Fund	-	-	-	23,409	-	-	23,409	21,173
Due to Building Inspection Fund	318	-	-	-	-	-	318	-
Due to Debt Service Fund	-	-	-	5,241	-	-	5,241	5,389
Due to County	57	-	-	31,462	-	-	31,519	36,266
Due to School Districts	-	-	-	129,341	-	-	129,341	128,854
General Obligation bonds payable	-	-	-	-	-	30,000	30,000	40,000
Deferred revenues – taxes	2,544	-	988	-	-	-	3,532	2,524
Total Liabilities	<u>11,323</u>	<u>-</u>	<u>988</u>	<u>189,453</u>	<u>-</u>	<u>30,000</u>	<u>231,764</u>	<u>243,159</u>
FUND EQUITY:								
Investment in general fixed assets	-	-	-	-	128,567	-	128,567	128,567
Fund balance -- reserved	7,196	54,007	18,417	-	-	-	79,620	88,781
Fund balance -- unreserved	15,603	-	-	-	-	-	15,603	5,977
Total Fund Equity	<u>22,799</u>	<u>54,007</u>	<u>18,417</u>	<u>-</u>	<u>128,567</u>	<u>-</u>	<u>223,790</u>	<u>223,325</u>
<u>TOTAL LIABILITIES AND FUND EQUITY</u>	<u>\$ 34,122</u>	<u>\$ 54,007</u>	<u>\$ 19,405</u>	<u>\$ 189,453</u>	<u>\$ 128,567</u>	<u>\$ 30,000</u>	<u>\$ 455,554</u>	<u>\$ 466,484</u>

The accompanying notes are an integral part of these financial statements.

ZILWAUKEE TOWNSHIP

COMBINED STATEMENT OF REVENUE, EXPENDITURES AND CHANGES IN FUND BALANCE ALL GOVERNMENTAL FUND TYPES

FOR THE FISCAL YEAR ENDED MARCH 31, 2004

	GOVERNMENTAL FUND TYPES			TOTALS (MEMORANDUM ONLY)	
	GENERAL	SPECIAL	DEBT	YEAR ENDED MARCH 31,	
	FUND	REVENUE	SERVICE	2004	2003
SOURCES OF FINANCIAL RESOURCES:					
Revenue:					
Taxes	\$ 27,787	\$ -	\$ 4,800	\$ 32,587	\$ 26,215
Licenses and permits	-	-	-	-	-
Federal grants	-	-	-	-	-
State grants & revenue sharing	7,110	-	-	7,110	7,957
Charges for services	4,320	1,273	-	5,593	4,200
Interest and rents	7,706	565	72	8,343	9,587
Other revenue	191	-	-	191	330
Total Revenue	<u>47,114</u>	<u>1,838</u>	<u>4,872</u>	<u>53,824</u>	<u>48,289</u>
USES OF FINANCIAL RESOURCES:					
Expenditures:					
Current:					
Legislative	953	-	-	953	808
General government	21,029	-	-	21,029	24,885
Public safety	6,442	955	-	7,397	6,249
Public works	6,018	-	-	6,018	5,958
Community & economic development	2,230	-	-	2,230	7,595
Other	3,594	-	-	3,594	4,244
Capital outlay	-	-	-	-	-
Debt service	-	-	12,138	12,138	12,663
Total Expenditures	<u>40,266</u>	<u>955</u>	<u>12,138</u>	<u>53,359</u>	<u>62,402</u>
Excess (deficiency) of revenues over expenditures	6,848	883	(7,266)	465	(14,113)
OTHER FINANCING SOURCES (USES):					
Operating transfers in	-	-	-	-	326
Operating transfers (out)	-	-	-	-	(326)
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES AND OTHER FINANCING USES	6,848	883	(7,266)	465	(14,113)
FUND EQUITY, BEGINNING OF FISCAL YEAR	<u>15,951</u>	<u>53,124</u>	<u>25,683</u>	<u>94,758</u>	<u>108,871</u>
FUND EQUITY, END OF FISCAL YEAR	<u>\$ 22,799</u>	<u>\$ 54,007</u>	<u>\$ 18,417</u>	<u>\$ 95,223</u>	<u>\$ 94,758</u>

The accompanying notes are an integral part of these financial statements.

ZILWAUKEE TOWNSHIP

COMBINED STATEMENT OF REVENUE, EXPENDITURES AND CHANGES IN FUND BALANCE – BUDGET AND ACTUAL – ALL GOVERNMENTAL FUND TYPES

FOR THE FISCAL YEAR ENDED MARCH 31, 2004

	GENERAL FUND			SPECIAL REVENUE FUND			DEBT SERVICE FUND		
	FINAL BUDGET	ACTUAL AMOUNTS	VARIANCE FROM FINAL BUDGET FAVORABLE (UNFAVORABLE)	FINAL BUDGET	ACTUAL AMOUNTS	VARIANCE FROM FINAL BUDGET FAVORABLE (UNFAVORABLE)	FINAL BUDGET	ACTUAL AMOUNTS	VARIANCE FROM FINAL BUDGET FAVORABLE (UNFAVORABLE)
SOURCES OF FINANCIAL RESOURCES:									
Revenue:									
Taxes	\$ 22,400	\$ 27,787	\$ 5,387	\$ -	\$ -	\$ -	\$ 5,225	\$ 4,800	\$ (425)
Licenses and permits	350	-	(350)	-	-	-	-	-	-
Federal grants	-	-	-	-	-	-	-	-	-
State grants & revenue sharing	7,100	7,110	10	-	-	-	-	-	-
Charges for services	3,960	4,320	360	1,200	1,273	73	-	-	-
Interest and rents	7,370	7,706	336	2,600	565	(2,035)	340	72	(268)
Other revenue	300	191	(109)	-	-	-	-	-	-
Total Revenue	41,480	47,114	5,634	3,800	1,838	(1,962)	5,565	4,872	(693)
USES OF FINANCIAL RESOURCES:									
Expenditures:									
Current:									
Legislative	1,000	953	47	-	-	-	-	-	-
General government	22,330	21,029	1,301	-	-	-	-	-	-
Public safety	7,100	6,442	658	800	955	(155)	-	-	-
Public works	6,150	6,018	132	10,000	-	10,000	-	-	-
Community & economic development	2,100	2,230	(130)	-	-	-	-	-	-
Other	10,000	3,594	6,406	-	-	-	-	-	-
Capital outlay	500	-	500	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	11,838	12,138	(300)
Contingencies	300	-	300	-	-	-	-	-	-
Total Expenditures	49,480	40,266	9,214	10,800	955	9,845	11,838	12,138	(300)
Excess (deficiency) of revenues over expenditures	(8,000)	6,848	14,848	(7,000)	883	7,883	(6,273)	(7,266)	(993)
OTHER FINANCING SOURCES (USES):									
Operating transfers in	-	-	-	-	-	-	-	-	-
Operating transfers (out)	-	-	-	-	-	-	-	-	-
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES AND OTHER FINANCING USES	(8,000)	6,848	14,848	(7,000)	883	7,883	(6,273)	(7,266)	(993)
FUND EQUITY, BEGINNING OF FISCAL YR	15,951	15,951	-	53,124	53,124	-	25,683	25,683	-
FUND EQUITY, END OF FISCAL YEAR	\$ 7,951	\$ 22,799	\$ 14,848	\$ 46,124	\$ 54,007	\$ 7,883	\$ 19,410	\$ 18,417	\$ (993)

The accompanying notes are an integral part of these financial statements.

ZILWAUKEE TOWNSHIP

NOTES TO FINANCIAL STATEMENTS MARCH 31, 2004

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Zilwaukee Township is a "general law" township. The governing body of the Township is the Township Board, composed of the supervisor, the clerk, the treasurer, and two trustees. The Township provides the following services as authorized by State statutes: public safety (fire, protective inspections, planning and zoning), public works (road construction and storm drains), parks and recreation, and general administrative services.

Educational services are provided to citizens through the various local school districts that are separate governmental entities. Also, road and street maintenance is provided to the Township through the Saginaw County Road Commission, which is a separate governmental entity.

The financial statements of Zilwaukee Township include the accounts of all Township operations. The activity or entities included in the financial statements are those for which the Township has oversight responsibility or where the entities' services are provided only within the Township's geographical boundaries and generally available only to the Township's residents.

BASIS OF PRESENTATION - FUND ACCOUNTING

The accounts of the Township are organized on the basis of funds and account groups, each of which is considered a separate accounting entity. The operation of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues, and expenditures or expenses, as appropriate. Government resources are allocated to and accounted for in the individual funds based upon the purposes of which they are to be spent and the means by which spending activities are controlled. The various funds and account groups are categorized and described as follows:

GOVERNMENTAL FUNDS

General Fund -- The General Fund is the general operating fund of the Township. It is used to account for all financial resources except those required to be accounted for in another fund.

Special Revenue Funds -- Special Revenue Funds are used to account for the proceeds of specific revenue sources (other than special assessments or major capital projects) that are legally restricted to expenditures for specified purposes. These include the Road Improvement Fund and the Building Inspection Department Fund. Pursuant to Public Act 245 of 1999, the township's building inspection activity is accounted for as a special revenue fund.

FIDUCIARY FUNDS

Trust and Agency Funds -- Trust and Agency Funds are used to account for assets held by the Township in a trustee capacity or as an agent for individuals, private organizations, other governments and/or other funds. These include the Current Tax Collection Fund.

ACCOUNT GROUPS

General Fixed Assets Account Group -- This Account Group is established to account for all fixed assets of the Township utilized in its general operations. Major improvements that are of value only to the Township such as roads, storm sewers and lighting systems are not included. All fixed assets are valued at historical cost or estimated historical cost if actual historical cost is not available. Donated fixed assets are valued at their estimated fair value on the date donated. No depreciation has been provided on general fixed assets.

ZILWAUKEE TOWNSHIP

NOTES TO FINANCIAL STATEMENTS -- continued MARCH 31, 2004

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

BASIS OF ACCOUNTING:

Basis of accounting refers to when revenues and expenditures/expenses are recognized in the accounts and reported in the financial statements. Basis of accounting is related to the timing of the measurements made, regardless of the measurement focus applied.

The financial activity of the Fiduciary and Agency Funds is limited to collection of amounts which are subsequently returned or paid to third parties and, accordingly, are limited to cash transactions.

All governmental funds are accounted for using the modified accrual basis of accounting. Their revenues are recognized when they become measurable and available. Revenues are generally available when they are received in cash (unless legally restricted to some future period) or when earned and expected to be collected soon enough after fiscal year-end to pay liabilities of the current fiscal period. Significant revenues susceptible to accrual include most federal and state intergovernmental revenues (state revenue sharing) and charges for services. Other revenues are recorded as revenues when received in cash because they are not measurable until actually received. Expenditures are generally recognized when the related fund liability is incurred, provided the liability normally would be liquidated with expendable available resources.

Property tax revenues are recognized when they become available. Available means when due, or past due and receivable within the current fiscal period and collected within the current period or expected to be collected soon enough thereafter to be used to pay liabilities of the current period. Such time thereafter shall not exceed 60 days. Property taxes receivables, which are not available to the Township until a subsequent year, are classified as deferred revenues.

Payments for inventoriable types of supplies are recorded as expenditures at the time of purchase. Normally, expenditures are not divided between fiscal years by the recording of prepaid expenses.

BUDGETS AND BUDGETARY ACCOUNTING:

Governmental Fund Types (General Fund) are under formal budgetary control. Budgets shown in the financial statements were prepared on a basis not significantly different from the modified accrual basis used to reflect actual results and consist only of those contained in the formal budget approved by the Township Board.

Adoption and amendments of all budgets used by the Township are governed by Michigan Act 621 of the Public Acts of 1978, the *Uniform Budgeting and Accounting Act*. All appropriations lapse at fiscal year end.

Budgeted amounts are as originally adopted, or as amended by the Township Board. Individual amendments were not material in relation to the original appropriations that were amended.

CASH EQUIVALENTS AND INVESTMENTS:

The Township's cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from date of acquisition.

State statutes authorize the Township to invest in U.S. government obligations, certificates of deposits, commercial paper, repurchase agreements, bankers acceptances, and with some restrictions, mutual funds. An Attorney General's opinion states that public funds may not be deposited in financial institutions located in states other than Michigan.

All investments, if any, are stated at cost or amortized cost and are made in accordance with P.A. 217, 1982 of the State of Michigan.

ZILWAUKEE TOWNSHIP

NOTES TO FINANCIAL STATEMENTS continued MARCH 31, 2004

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

PROPERTY TAXES RECEIVABLE:

Property taxes attach as an enforceable lien on property as of the date they are levied. Delta Community College, Bay/Arenac intermediate school district, Bay City public school district and the state education tax are levied and due on July 1st and become delinquent after September 14th. County and Township taxes are levied and due on December 1st and become delinquent after February 14th.

Delinquent taxes receivable - real property:

The County of Saginaw purchases the delinquent real property taxes of the Township. The County intends to sell tax notes, the proceeds of which will be used to pay the Township for these property taxes. It is anticipated this will take place May 2004, (Receipts less than 60 days). These taxes have been recorded as revenue for the current year ended March 31, 2004.

Delinquent taxes receivable - personal property:

During March of each year, the County Treasurer returns to the Township Treasurer a statement of all personal property taxes which remain uncollected on the current tax levy with a warrant authorizing the Township Treasurer to collect them according to the law. Such delinquent property taxes which remain unpaid for more than 5 years, after they are returned to the County Treasurer, may be petitioned to the Circuit Court to be removed from the Township records providing the Court shall determine that the Township Treasurer has exercised due diligence in an effort to collect such taxes.

PROPERTY TAX REVENUE:

General Fund:

The Township has the power to levy and collect taxes for general governmental purposes in a sum up to and including one (1) mill on the state taxable value of all real and personal property in the City. Also, at the general election held November 3, 1992, an additional three (3) mill tax levy for a period of ten years, 1996-2005, inclusive, was renewed for general operations of the Township.

On October 21, 2003, the Township established a township wide Fire Protection Special Assessment District under 1951 PA 33, *the township police and fire protection act*.

Debt Service Fund:

At the general primary election held August 6, 1996, the electorate of the Township approved a \$100,000 general obligation unlimited tax bond issue, for the purpose of constructing, furnishing and equipping a new township hall, including land and appurtenances therefor, as well as capitalized interest and bond discount.

GENERAL FUND EXPENSE – FIRE PROTECTION FEE:

On January 1, 1979, the Township of Zilwaukee renewed the township's fire protection contract with the City of Zilwaukee and its volunteer fire department. The fire protection fee charged is 1 ¼ mill on the taxable valuation of Zilwaukee Township, to be paid semi-annually in advance.

ZILWAUKEE TOWNSHIP

NOTES TO FINANCIAL STATEMENTS -- continued MARCH 31, 2004

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

COMPARATIVE DATA:

Comparative total data for the prior fiscal year have been presented in the accompanying financial statements in order to provide an understanding of changes in the Township's financial position and operations.

TOTAL COLUMNS ON COMBINED STATEMENTS:

Total columns on the Combined Statements are captioned "Memorandum Only" to indicate that they are presented only to facilitate financial analysis. Data in these columns do not present financial position, result of operations, or changes in financial position in conformity with generally accepted accounting principles. Neither is such data comparable to a consolidation. Interfund eliminations have not been made in the aggregation of this data.

NOTE 2: EXCESS OF EXPENDITURES OVER APPROPRIATIONS IN BUDGETARY FUNDS

Public Act 621 of 1978 section 18 (1), as amended provides that the Township shall not incur expenditures in excess of the amount appropriated. In the body of the financial statements, the Township's actual and budgeted expenditures for the budgetary governmental type funds have been shown on a functional basis. The approved budgets of the Township for these budgetary funds were adopted to the activity level. Budget comparisons are shown in each individual fund statement.

NOTE 3: DEPOSITS AND INVESTMENTS:

DEPOSITS:

The bank carrying value of deposits held by the respective depositories equates to the Township's carrying value of \$224,298.

Approximately \$183,265 was covered by federal depository insurance and \$41,033 was uninsured and uncollateralized at March 31, 2004. Michigan statutes do not require uninsured deposits to be collateralized.

Types of deposits are summarized as follows:

Demand accounts – money market/checking	\$ 13,049
Bank sweep accounts / savings	170,183
Certificates of deposit	<u>41,066</u>
	<u>\$224,298</u>

INVESTMENTS:

At March 31, 2004, the Township has no investments other than the cash deposits mentioned above.

ZILWAUKEE TOWNSHIP

NOTES TO FINANCIAL STATEMENTS -- continued MARCH 31, 2004

NOTE 4: CHANGES IN FIXED ASSETS:

A summary of changes in general fixed assets follows:

	APRIL 1, 2003	ADDITIONS	DELETIONS	MARCH 31, 2004
Land	\$ 9,736	\$ -	\$ -	\$ 9,736
Landscaping	5,544	-	-	5,544
Buildings	111,185	-	-	111,185
Equipment	2,102	-	-	2,102
Total	<u>\$ 128,567</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 128,567</u>

NOTE 5: LONG-TERM DEBT:

The following is a summary of long-term debt transactions of Zilwaukee Township for the fiscal year ended March 31, 2004:

	Balance April 1, 2003	Additions (Reductions)	Balance March 31, 2004
\$100,000 County of Saginaw, Michigan, Zilwaukee Township, Township Hall Bonds (General Obligation Unlimited Tax), dated November 1, 1996; due in annual installments of \$10,000; interest At 5.25%	<u>\$ 40,000</u>	<u>\$ (10,000)</u>	<u>\$ 30,000</u>

The summary of annual debt service requirements to maturity, including principal and interest requirements, is as follows:

Fiscal Year	Principal	Interest	TOTAL
2004/05	10,000	1,312.50	11,312.50
2005/06	10,000	787.50	10,787.50
2006/07	<u>10,000</u>	<u>262.50</u>	<u>10,262.50</u>
	<u>\$ 30,000</u>	<u>\$ 2,362.50</u>	<u>\$ 32,362.50</u>

ZILWAUKEE TOWNSHIP

NOTES TO FINANCIAL STATEMENTS -- continued MARCH 31, 2004

NOTE 6: FUND EQUITY

RESERVES – GENERAL FUND:

The General Fund equity balance is reserved for the following at March 31, 2004:

	<u>FIRE PROTECTION</u>	<u>REFUSE COLLECTION</u>	<u>STREET LIGHTING</u>
Reserved Balance, April 1, 2003	\$ 0	\$ 6,718	\$ 3,256
Add: revenue assessments	6,505	0	3,120
Less expenses	<u>(6,442)</u>	<u>(3,156)</u>	<u>(2,805)</u>
Reserved Balance, March 31, 2004	<u>\$ 63</u>	<u>\$ 3,562</u>	<u>\$ 3,571</u>

RESERVES – DEBT SERVICE FUND:

The fund equity of the Debt Service Fund is reserved for future principle and interest payments on the 1996 Zilwaukee Township Hall Bonds.

RESERVES – SPECIAL REVENUE FUNDS:

The fund equity balance of the various Special Revenue Funds, at March 31, 2004, are reserved as follows:

Building (Inspections) Department Fund	\$ 318
Road Fund	<u>53,689</u>
	<u>\$ 54,007</u>

NOTE 7: RISK MANAGEMENT

The Township of Zilwaukee is exposed to various risk of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Township of Zilwaukee maintains commercial insurance coverage for each of those risks of loss. Management believes such coverage is sufficient to preclude any significant uninsured losses to the township. Settled claims have not exceeded this commercial coverage in any of the past three years.

NOTE 8: USE OF ESTIMATES

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

SUPPLEMENTARY
FINANCIAL
DATA

ZILWAUKEE TOWNSHIP

GENERAL FUND

BALANCE SHEET

<u>ASSETS:</u>	MARCH 31,	
	2004	2003
Cash – checking	\$ 3	\$ 3
Cash – savings	3,004	3,918
Accounts receivable	-	-
Delinquent taxes receivable- real property:		
2002 tax levy	-	613
2003 tax levy	5,948	-
Due from State	1,758	936
Due from Building Department Fund	-	-
Due from Current Tax Collection Fund	20,865	19,434
Due from Delinquent Tax Collection Fund	2,544	1,739
<u>TOTAL ASSETS</u>	<u>\$ 34,122</u>	<u>\$ 26,643</u>
<u>LIABILITIES AND FUND EQUITY:</u>		
LIABILITIES:		
Accounts payable	\$ 7,843	\$ 8,411
Payroll deductions payable	561	542
Due to Building Department Fund	318	-
Due to County	57	-
Deferred revenue - taxes	2,544	1,739
Total Liabilities	<u>11,323</u>	<u>10,692</u>
FUND EQUITY:		
Reserved for Fire Protection	63	-
Reserved for Rubbish Collection	3,562	6,718
Reserved for Street Lighting	3,571	3,256
Unreserved, unappropriated	15,603	5,977
Total Fund Equity	<u>22,603</u>	<u>15,951</u>
<u>TOTAL LIABILITIES AND FUND EQUITY</u>	<u>\$ 34,122</u>	<u>\$ 26,643</u>

The accompanying notes are an integral part of these financial statements.

ZILWAUKEE TOWNSHIP

GENERAL FUND

STATEMENT OF REVENUE, EXPENDITURES AND CHANGES IN FUND EQUITY

	FOR THE YEAR ENDED MARCH 31,				
	2 0 0 4				2003
	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)	ACTUAL
REVENUE:					
Taxes	\$ 22,400	\$ 22,400	\$ 27,787	\$ 5,387	\$ 20,844
Licenses and permits	350	350	-	(350)	-
Federal grants	-	-	-	-	-
State grants & revenue sharing	7,100	7,100	7,110	10	7,957
Charges for services	3,960	3,960	4,320	360	4,200
Interest and rents	7,370	7,370	7,706	336	7,892
Other revenue	300	300	191	(109)	330
Total Revenue	41,480	41,480	47,114	5,634	41,223
EXPENDITURES:					
Current:					
Legislative	1,000	1,000	953	47	808
General government	22,330	22,330	21,029	1,301	24,885
Public safety	7,100	7,100	6,442	658	6,249
Public works	6,150	6,150	6,018	132	5,958
Community/Economic devel.	2,100	2,100	2,230	(130)	7,595
Other	10,000	10,000	3,594	6,406	4,244
Capital outlay	500	500	-	500	-
Contingencies	300	300	-	300	-
Total Expenditures	49,480	49,480	40,266	9,214	49,739
Excess (deficiency) of revenue over (under) expenditures	(8,000)	(8,000)	6,848	14,848	(8,516)
OTHER FINANCING SOURCES (USES)					
Transfers in (out) – to Bldg Insp Fund	-	-	-	-	(326)
FUND EQUITY, BEGINNING OF FISCAL YEAR	15,951	15,951	15,951	-	24,793
FUND EQUITY, END OF FISCAL YEAR	\$ 7,951	\$ 7,951	\$ 22,799	\$ 14,848	\$ 15,951

The accompanying notes are an integral part of these financial statements.

ZILWAUKEE TOWNSHIP

GENERAL FUND

STATEMENT OF REVENUE -- ESTIMATED AND ACTUAL

	FOR THE YEAR ENDED MARCH 31,				
	2 0 0 4				2003
	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)	ACTUAL
TAXES:					
Current property taxes – Oper.	\$ 20,000	\$ 20,000	\$ 19,090	\$	\$ 18,493
Current property taxes – Fire	0	0	6,505		-
Delinquent pers. property taxes	200	200	-		169
Tax penalties	100	100	66		17
Tax administration fees	1,500	1,500	1,578		1,559
Tax administration fees - schools	600	600	548		606
	22,400	22,400	27,787	5,387	20,844
LICENSES AND PERMITS:	350	350	-	(350)	-
STATE SHARED REVENUE:					
Sales and use tax	7,100	7,100	6,294		7,957
Telecom. Rights of Way	-	-	816		-
	7,100	7,100	7,110	10	7,957
CHARGES FOR SERVICES:					
Zoning board of appeals fees	500	500	1,200		500
Dog license fee	-	-	-		-
Rubbish collection	-	-	-		120
Street lighting	3,460	3,460	3,120		3,580
	3,960	3,960	4,320	360	4,200
INTEREST AND RENTS:					
Interest	170	170	486		710
Rent	7,200	7,200	7,220		7,182
	7,370	7,370	7,706	336	7,892
OTHER REVENUE:					
Donations from private sources	-	-	-		-
Reimbursements, elections	-	-	-		180
Miscellaneous	300	300	191		150
	300	300	191	(109)	330
TOTAL REVENUE	\$ 41,480	\$ 41,480	\$ 47,114	\$ 5,634	\$ 41,223

The accompanying notes are an integral part of these financial statements.

ZILWAUKEE TOWNSHIP
GENERAL FUND
STATEMENT OF APPROPRIATIONS AND EXPENDITURES

	FOR THE YEAR ENDED MARCH 31,				
	2 0 0 4				2003
	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)	ACTUAL
LEGISLATIVE:					
Township Board	\$ 1,000	\$ 1,000	\$ 953	\$ 47	\$ 865
GENERAL GOVERNMENT:					
Chief Executive (Supervisor)	4,380	4,380	4,715		4,715
Clerk	3,700	3,700	3,870		3,981
Accounting	3,000	3,000	2,700		4,441
Board of Review	1,000	1,000	160		433
Treasurer	3,700	3,700	3,860		3,885
Assessor	2,000	2,000	1,852		1,964
Elections	1,500	1,500	1,193		3,460
Township hall & other property	2,100	2,100	1,680		2,056
Attorney	350	350	350		350
Unallocated	600	600	649		629
	22,330	22,330	21,029	1,301	25,914
PUBLIC SAFETY:					
Central dispatch	600	600	-		-
Fire protection	6,500	6,500	6,442		6,249
Building Inspections Dept.	-	-	-		-
	7,100	7,100	6,442	658	6,249
PUBLIC WORKS:					
Highways and streets	-	-	-		-
Drains – public benefit	-	-	57		-
Street lighting	3,000	3,000	2,805		2,808
Sanitation, refuse coll'n & disp	3,150	3,150	3,156		3,150
	6,150	6,150	6,018	132	5,958
COMMUNITY DEVELOPMENT:					
Planning	2,000	2,000	1,867		7,608
Zoning Board of Appeals	100	100	363		85
	2,100	2,100	2,230	(130)	7,693
OTHER ACTIVITIES:					
Township share of Social Sec Insurance	2,800	2,800	-		-
	7,200	7,200	3,594		3,060
	10,000	10,000	3,594	6,406	3,060
CAPITAL OUTLAY:					
Township Hall	250	250	-		-
Equipment	250	250	-		-
	500	500	-	500	-
CONTINGENCIES	300	300	-	300	-
TOTAL APPROPRIATIONS AND EXPENDITURES	\$ 49,480	\$ 49,480	\$ 40,266	\$ 9,214	\$ 49,739

The accompanying notes are an integral part of these financial statements.

ZILWUAKEE TOWNSHIP
SPECIAL REVENUE FUNDS
COMBINING BALANCE SHEET
MARCH 31, 2004

<u>ASSETS:</u>	BUILDING DEPARTMENT FUND	ROAD FUND	TOTAL MARCH 31, 2004	2003
Cash – savings	\$ -	\$ 12,623	\$ 12,623	\$ 12,659
Certificate of deposit	-	41,066	41,066	40,465
Due from General Fund	<u>318</u>	<u>-</u>	<u>318</u>	<u>-</u>
<u>TOTAL ASSETS</u>	<u>\$ 318</u>	<u>\$ 53,689</u>	<u>\$ 54,007</u>	<u>\$ 53,124</u>
 <u>LIABILITIES AND FUND EQUITY:</u>				
LIABILITIES:				
Due to General Fund	\$ -	\$ -	\$ -	\$ -
FUND EQUITY (Deficit):				
Unreserved, unappropriated	<u>318</u>	<u>53,689</u>	<u>54,007</u>	<u>53,124</u>
<u>TOTAL LIABILITIES AND FUND EQUITY</u>	<u>\$ 318</u>	<u>\$ 53,689</u>	<u>\$ 54,007</u>	<u>\$ 53,124</u>

The accompanying notes are an integral part of these financial statements.

ZILWUAKEE TOWNSHIP

SPECIAL REVENUE FUNDS

COMBINING STATEMENT OF REVENUE, EXPENDITURES AND CHANGES IN FUND BALANCE
FOR THE FISCAL YEAR ENDED MARCH 31, 2004

	BUILDING DEPARTMENT FUND	ROAD FUND	TOTAL MARCH 31,	
			2004	2003
:				
REVENUE:				
Charges for services	\$ 1,273	\$ -	\$ 1,273	\$ -
Interest	-	565	565	1,361
	-	565	1,838	1,361
EXPENDITURES:				
Current:				
Public safety, Inspections	955	-	955	-
Public works, roads	-	-	-	-
	955	-	955	-
Excess (deficiency) of Revenue over (under) expenditures	318	565	883	1,361
OTHER FINANCING SOURCES (USES):				
Transfers in	-	-	-	326
FUND EQUITY (Deficit), BEGINNING OF FISCAL YEAR	-	53,124	53,124	51,437
FUND EQUITY(Deficit), END OF FISCAL YEAR	\$ 318	\$ 53,689	\$ 54,007	\$ 53,124

The accompanying notes are an integral part of these financial statements.

ZILWUAKEE TOWNSHIP
BUILDING DEPARTMENT FUND
BALANCE SHEET

<u>ASSETS:</u>	MARCH 31,	
	<u>2004</u>	<u>2003</u>
Due from General Fund	<u>\$ 318</u>	<u>\$ -</u>
 <u>LIABILITIES AND FUND EQUITY:</u>		
LIABILITIES:		
Due to General Fund	\$ -	\$ -
FUND EQUITY (Deficit):		
Unreserved, unappropriated	<u>318</u>	<u>-</u>
<u>TOTAL LIABILITIES AND FUND EQUITY</u>	<u>\$ 318</u>	<u>\$ -</u>

The accompanying notes are an integral part of these financial statements.

ZILWAUKEE TOWNSHIP

BUILDING DEPARTMENT FUND

STATEMENT OF REVENUE, EXPENDITURES AND CHANGES IN FUND EQUITY

	FOR THE YEAR ENDED MARCH 31,			
	2004			2003
	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)	ACTUAL
SOURCES OF FINANCIAL RESOURCES:				
Revenue:				
Charges for services, Bldg permits	\$ 1,200	\$ 1,273	\$ 73	\$ -
USES OF FINANCIAL RESOURCES:				
Expenditures:				
Current:				
Public Safety, Inspections	800	955	(155)	-
Excess (deficiency) of revenues over (under) expenditures	400	318	(82)	-
OTHER FINANCING SOURCES (USES)				
Transfer in – from General Fund	-	-	-	326
FUND EQUITY (DEFICIT), BEGINNING OF FISCAL YEAR	-	-	-	(326)
FUND EQUITY (DEFICIT), END OF FISCAL YEAR	\$ 400	\$ 318	\$ (82)	\$ -

The accompanying notes are an integral part of these financial statements.

ZILWUAKEE TOWNSHIP

ROAD FUND

BALANCE SHEET

<u>ASSETS:</u>	MARCH 31,	
	2004	2003
Cash – checking	\$ -	\$ -
Cash – savings	12,623	12,659
Certificate of deposit	41,066	40,465
Due from General Fund	-	-
<u>TOTAL ASSETS</u>	<u>\$ 53,689</u>	<u>\$ 53,124</u>
 <u>LIABILITIES AND FUND EQUITY:</u>		
LIABILITIES:	\$ -	\$ -
FUND EQUITY:		
Unreserved, unappropriated	<u>53,689</u>	<u>53,124</u>
<u>TOTAL LIABILITIES AND FUND EQUITY</u>	<u>\$ 53,689</u>	<u>\$ 53,124</u>

The accompanying notes are an integral part of these financial statements.

ZILWAUKEE TOWNSHIP

ROAD FUND

STATEMENT OF REVENUE, EXPENDITURES AND CHANGES IN FUND EQUITY

	FOR THE YEAR ENDED MARCH 31,			
	2 0 0 4			2003
	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)	ACTUAL
SOURCES OF FINANCIAL RESOURCES:				
Revenue:				
Interest earned	\$ 2,600	\$ 565	\$ (2,035)	\$ 1,361
USES OF FINANCIAL RESOURCES:				
Expenditures:				
Current:				
Public works	10,000	-	10,000	-
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(7,400)	565	7,965	1,361
FUND EQUITY, BEGINNING OF FISCAL YEAR	53,124	53,124	-	51,763
FUND EQUITY, END OF FISCAL YEAR	\$ 45,724	\$ 53,689	\$ 7,965	\$ 53,124

The accompanying notes are an integral part of these financial statements.

ZILWUAKEE TOWNSHIP

DEBT SERVICE FUND

BALANCE SHEET

<u>ASSETS:</u>	MARCH 31,	
	2004	2003
Cash – checking	\$ 13,043	\$ 20,312
Delinquent taxes receivable, real property	1,121	767
Due from General Fund	-	-
Due from Tax Collection Fund	4,253	4,604
Due from Delinquent Tax Collection Fund	988	785
<u>TOTAL ASSETS</u>	<u>\$ 19,405</u>	<u>\$ 26,468</u>
 <u>LIABILITIES AND FUND EQUITY:</u>		
LIABILITIES:		
Deferred revenue - taxes	\$ 988	\$ 785
FUND EQUITY:		
Reserved for debt service	18,417	25,683
<u>TOTAL LIABILITIES AND FUND EQUITY</u>	<u>\$ 19,405</u>	<u>\$ 26,468</u>

The accompanying notes are an integral part of these financial statements.

ZILWAUKEE TOWNSHIP

DEBT SERVICE FUND

STATEMENT OF REVENUE, EXPENDITURES AND CHANGES IN FUND EQUITY

	FOR THE YEAR ENDED MARCH 31,			
	2 0 0 4			2003
	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)	ACTUAL
SOURCES OF FINANCIAL RESOURCES:				
Revenue:				
Taxes	\$ 5,000	\$ 4,800	\$ (200)	\$ 5,371
Delinquent taxes	200	-	(200)	-
Tax penalties	25	-	(25)	-
Interest earned	340	72	(268)	334
Total Revenue	5,565	4,872	(693)	5,705
USES OF FINANCIAL RESOURCES:				
Expenditures:				
Debt service payments				
Principal	10,000	10,000	-	10,000
Interest	1,538	1,838	(300)	2,363
Paying agent fees	300	300	-	300
Total Expenditures	11,838	12,138	(300)	12,663
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(6,273)	(7,266)	(993)	(6,958)
FUND EQUITY, BEGINNING OF FISCAL YEAR	25,683	25,683	-	32,641
FUND EQUITY, END OF FISCAL YEAR	\$ 19,410	\$ 18,417	\$ (993)	\$ 25,683

The accompanying notes are an integral part of these financial statements.

ZILWAUKEE TOWNSHIP

COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
ALL AGENCY FUNDS

FOR THE FISCAL YEAR ENDED MARCH 31, 2004

	BALANCE APRIL 1, 2003	ADDITIONS	DEDUCTIONS	BALANCE MAR. 31, 2004
CURRENT TAX COLLECTIONS FUND:				
<u>Assets:</u>				
Cash	\$ 165,670	\$ 160,124	\$ 171,235	\$ 154,559
Total Assets	\$ 165,670	\$ 160,124	\$ 171,235	\$ 154,559
<u>Liabilities:</u>				
Due to General Fund	\$ 19,434	\$ 25,688	\$ 24,257	\$ 20,865
Due to Debt Service Fund	4,604	4,446	4,797	4,253
Due to Saginaw County	33,157	26,887	33,157	26,887
Due to Schools	45,417	45,750	45,745	45,422
Due to Intermediate School Districts	23,109	22,743	23,239	22,613
Due to Delta College	11,820	11,667	11,911	11,576
Due to State	28,129	22,943	28,129	22,943
Refunds/Overpayments	-	-	-	-
Total Liabilities	\$ 165,670	\$ 160,124	\$ 171,235	\$ 154,559
DELINQUENT TAX COLLECTIONS FUND:				
<u>Assets:</u>				
Cash	\$ -	\$ -	\$ -	\$ -
Delinquent taxes receivable -				
2000 personal property	4,561	-	-	4,561
2001 personal property	9,172	-	-	9,172
2002 personal property	12,279	-	-	12,279
2003 personal property	-	8,882	-	8,882
Total Assets	\$ 26,012	\$ 8,882	\$ -	\$ 34,894
<u>Liabilities:</u>				
Due to General Fund	\$ 1,739	\$ 805	\$ -	\$ 2,544
Due to Debt Service Fund	785	203	-	988
Due to Saginaw County	3,109	1,466	-	4,575
Due to Bay City Schools	12,012	3,873	-	15,885
Due to Intermediate School Districts	3,096	1,005	-	4,101
Due to Delta College	1,525	516	-	2,041
Due to State	3,746	1,014	-	4,760
Total Liabilities	\$ 26,012	\$ 8,882	\$ -	\$ 34,894

The accompanying notes are an integral part of these financial statements.

ZILWAUKEE TOWNSHIP
 COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
 ALL AGENCY FUNDS
 FOR THE FISCAL YEAR ENDED MARCH 31, 2004

	<u>BALANCE</u> <u>APRIL 1, 2003</u>	<u>ADDITIONS</u>	<u>DEDUCTIONS</u>	<u>BALANCE</u> <u>MAR. 31, 2004</u>
TOTAL – ALL AGENCY FUNDS:				
<u>Assets:</u>				
Cash	\$ 165,670	\$ 160,124	\$ 171,235	\$ 154,559
Delinquent taxes receivable	26,012	8,882	-	34,894
Total Assets	<u>\$ 191,682</u>	<u>\$ 169,006</u>	<u>\$ 171,235</u>	<u>\$ 189,453</u>
<u>Liabilities:</u>				
Due to General Fund	\$ 21,173	\$ 26,493	\$ 24,257	\$ 23,409
Due to Debt Service Fund	5,389	4,649	4,797	5,241
Due to Saginaw County	36,266	28,353	33,157	31,462
Due to Schools	57,429	49,623	45,745	61,307
Due to Intermediate School Districts	26,205	23,748	23,239	26,714
Due to Delta College	13,345	12,183	11,911	13,617
Due to State	31,875	23,957	28,129	27,703
Refunds/Overpayments	-	-	-	-
Total Liabilities	<u>\$ 191,682</u>	<u>\$ 169,006</u>	<u>\$ 171,235</u>	<u>\$ 189,453</u>

The accompanying notes are an integral part of these financial statements.

ZILWAUKEE TOWNSHIP

CURRENT TAX COLLECTIONS FUND

ANALYSIS OF 2003 TAXES SPREAD AND COLLECTIONS
TO DATE OF RETURN TO COUNTY TREASURER

	TAX SPREAD	UNCOLLECTED TAXES RETURNED TO COUNTY TREASURER	TAX COLLECTIONS ACCOUNTABLE BY TOWNSHIP TREASURER
County	\$ 36,199	\$ 9,578	\$ 26,621
County drains	-	-	-
State education tax	25,014	2,071	22,943
Intermediate school districts	24,796	2,053	22,743
Delta College	12,720	1,053	11,667
Bay City Schools	52,034	6,284	45,750
Township Debt	5,002	1,323	3,679
Township Fire assessment	6,505	775	5,730
Township Operating	19,887	5,266	14,621
Rubbish collection charges	-	-	-
Street lighting assessment	3,120	600	2,520
	<u>\$ 185,277</u>	<u>\$ 29,003</u>	<u>\$ 156,274</u>
<u>Add:</u> 1% Administration fee		1,466	
Late penalties		66	
Bank account interest		632	
General Fund revenue receipts		22	
2003 delinquent tax collections		266	
2002 taxes paid by County		1,381	
Miscellaneous		17	3,850
			<u>160,124</u>
TOTAL CASH COLLECTIONS			160,124
<u>Deduct Allocations:</u>			
Saginaw County Treasurer		26,887	
State Education tax		22,943	
Bay/Arenac County Intermediate S/D		22,613	
Delta College		11,576	
Bay City Schools		45,423	
Refunds		-	
Township's Debt Service Fund		4,446	
Township's General Fund:			
Administration fee	1,466		
Collection fee, schools	548		
Penalties	66		
Delinquent taxes (2002)	613		
Fire assessment	5,730		
Street lighting	2,520		
Interest & miscellaneous	672	11,615	145,503
			<u>145,503</u>
BALANCE OF CASH COLLECTED IN RESPECT OF THE DECEMBER 2003 TOWNSHIP TAX LEVY			<u>\$ 14,621</u>

The accompanying notes are an integral part of these financial statements.

TOWNSHIP OF ZILWAUKEE
STATEMENT OF CHANGES IN GENERAL FIXED ASSETS
FOR THE FISCAL YEAR ENDED MARCH 31, 2004

	BALANCE APRIL 1, 2003	ADDITIONS	DEDUCTIONS	BALANCE MAR. 31, 2004
Land – 5.7 acres	\$ 3,400	\$ -	\$ -	\$ 3,400
Land, Township Hall	6,336	-	-	6,336
Landscaping, Township Hall	5,544	-	-	5,544
Building, Township Hall	111,185	-	-	111,185
Furniture	299	-	-	299
Office equipment	1,703	-	-	1,703
Voting equipment	100	-	-	100
	<hr/>	<hr/>	<hr/>	<hr/>
TOTAL FIXED ASSETS	<u>\$ 128,567</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 128,567</u>

The accompanying notes are an integral part of these financial statements.

TOWNSHIP OF ZILWAUKEE

T A X D A T A

			2003	2002	2001	2000	1999
<u>Ad Valorem Totals:</u>							
	Real	Assessed	4,673,000	4,407,700	4,278,825	3,705,482	3,686,207
	Real	Equalized	4,673,000	4,407,700	4,278,825	3,705,482	3,686,207
	Real	Taxable	4,059,915	3,858,792	3,694,313	3,516,470	3,479,262
	Personal	Assessed	942,900	1,140,076	1,268,956	933,709	956,400
	Personal	Equalized	687,000	865,667	894,421	560,509	956,400
	Personal	Taxable	942,900	1,140,076	1,268,956	933,709	956,400
	Homestead	Taxable	2,417,736	2,458,317	2,380,001	2,317,773	2,293,124
	Non-Homestead	Taxable	2,585,079	2,540,551	2,583,268	2,132,406	2,142,538
 <u>Tax Levies:</u>							
	County		\$ 36,199	\$ 35,997	\$ 35,762	\$ 29,534	\$ 29,628
	State education tax		25,014	29,993	29,779	26,701	26,614
	Intermediate school districts		24,796	24,793	24,613	22,068	21,999
	Delta College		12,720	12,710	12,619	9,090	9,060
	Bay City public schools		52,034	51,376	52,454	44,613	45,219
	Township debt		5,002	4,998	11,167	18,913	18,851
	Township operating		19,887	19,867	19,821	17,772	17,714
	Township fire assessment		6,505	-	-	-	-
	Rubbish collection charges		-	-	4,080	4,080	4,080
	Street lighting assessment		3,120	3,460	3,630	3,670	2,630
	Drain assessments		-	-	44	-	-
	Omitted 1998 taxes		-	-	-	-	4,626
	Total Property Tax Levy		<u>\$ 185,277</u>	<u>\$ 183,194</u>	<u>\$ 193,969</u>	<u>\$ 176,441</u>	<u>\$ 180,421</u>
	Collections to March 1st		\$ 156,274	\$ 168,270	\$ 179,972	\$ 161,230	\$ 155,751
	% Collected		84.3%	91.9%	92.8%	91.4%	86.3%

FRANCIS H. MCKENNA
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November 4, 2004

To the Township Board
Zilwaukee Township
c/o Patricia Bradt, Clerk
7600 Melbourne Road
Saginaw, MI 48604-9781

SUBJECT: Audit Comments & Recommendations -- Fiscal year ended March 31, 2004

Dear Mrs. Bradt:

I offer the following comments as a result of my audit of the general purpose financial statements of Zilwaukee Township for the fiscal year ended March 31, 2004.

1. Reconciling tax transactions of the computer tax collection software with bank deposits should be recorded in some manner, such as through excel.
2. I noted that property tax collections were settled and distributed after the end of the fiscal year. Again as a reminder, the *general property tax* law states that a township that has a state equalized valuation of less than \$15,000,000 shall distribute taxes collected up to and including January 10, within 10 business days after January 10th. However, the township treasurer shall at no time have on hand tax collections in excess of 25% of the amount of taxes apportioned to the township and, when tax collections on hand reach this percentage, the township treasurer shall immediately account for and turn over the taxes collected to the taxing authorities.
3. I noted that the township that most of the township's actual expenditures were in line with budgeted appropriations. This is an improvement from prior years.

I wish to thank you for the cooperation shown to me during the audit.

Very truly yours,

Francis H. McKenna, CPA

Francis H. McKenna, CPA

cc: State Treasurer